



Making Sense of Local Health Department Funding

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Learning Objectives

- Describe different sources of funding for LHDs
- Describe the typical county budgeting cycle
- List 2 implications of the current political climate on LHD funding
- List 2 sources of information on public health funding

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"Our books are balanced. 50% of our numbers are real and 50% are made up."

Types of LHD Revenue



- Local Tax Levy (income the county receives from real estate taxes assessed to residents)
- State Funding (funds received from state government)
- Federal Pass through (funds received that state receives and gives to LHDs, i.e. ARRA, PHER, PHEP)
- Federal Direct (funds LHD receives directly from the federal agencies)
- Third Party Payers: Insurance, Medicaid, Medicare
- Fees (income from LHD charges for services)
- Other

More About Tax Levy

- The *property tax rate* is often given as a percentage. (Polk = 4.7461%)
- May also be expressed as a *permille* (amount of tax per thousand currency units of property value), which is also known as a *millage rate* or *mill levy*. (A mill is also one-thousandth of a currency unit.)
- To calculate the property tax, multiply the assessed value of the property by the mill rate and then divide by 1,000.
- For example:
Property with assessed value of \$50,000
Mill rate = 20
 $\$50,000 \times 20 \text{ mills} / 1000 = \$1,000$ property tax bill per year.
- To calculate the percentage, divide the mills by 10 (moving the decimal point to the left by one) - for example, 20 mills = 2.0%.

Source: http://en.wikipedia.org/wiki/Property_tax

Polk County Example of Levy

Levy Year	Equalized Valuation	County Tax Levy	County Mill Rate
2009	4,733,746,500	20,666,063	4.3657
2010	4,434,376,100	21,045,812	4.7461

Types of Grants LHDs Receive

Consolidated Contract
(Non-Competitive)
(Lead, Imm, Prevention,
WWWV)

Federal Pass Through to
LHDs
(WIC, Accreditation,
ARRA, PHEP)

Federal Direct
(competitive)
(Drug Free
Communities, Safe
Routes, SAMHSA, EPA)

Non Governmental
Fundors
(UW/MCW Partnership
Program, RWJ, Bremer,
Other Foundations)

Grant Funding – Formulas



- Many grants formula driven, i.e. factors influence grant allocations
- WIC: caseload, race/ethnicity, women and children participants, geographic area
- PHP: base funding PLUS population size, poverty level, children 0-17, population >65, English speaking, geographic area
- Prevention: LHD level, population, risk factors (YPLL), geography

Level Designation of LHD Influences Consolidated Contract Allocation

- LHD Level is a factor in some formulas
- Consolidated Contract
MCH = 10%
Prevention = 20%
Immunization = 17.5%
- Accompanying funding range: \$400 to \$4,000 depending on grant



Challenges with Grants

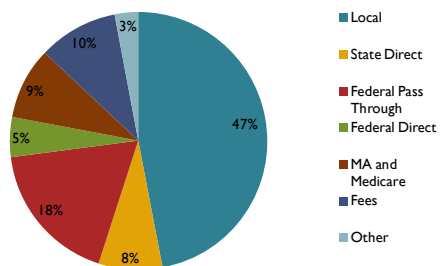
- Categorical funding may not match local needs
- Funding may not cover expenses
- Funding remains static over years
- Small grants make hiring difficult
- Many require sustainability plan
- Competitive grants require skilled writers
- Most require partnerships
- Reporting & fiscal management adds work

Advantages of Grants

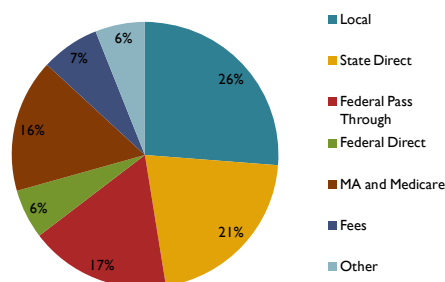


- Move CHIP priorities forward
- Decrease reliance on tax levy
- Increase capacity for essential PH services
- Enhance community collaboration
- Increase diversity of staff mix
- Allow innovation in PH practice
- Build PH infrastructure

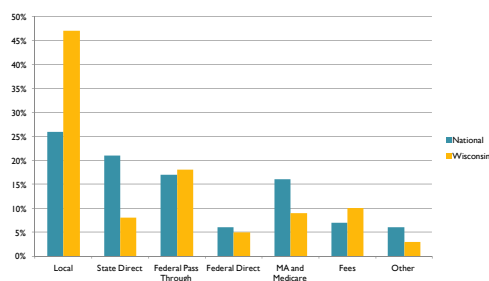
**Percentage of Total Annual LHD Revenues
Wisconsin - 2010**



**Percentage of Total Annual LHD Revenues
United States - 2010**



**Comparison of Sources of LHD Revenue:
Wisconsin and National 2010**



Public Health Funding Indicators: Wisconsin Ranking, 2011 (TFAH)

- State funding per capita – 49 (2010=49)
- CDC funding per capita – 47 (2010=43)
- HRSA funding per capita – 47 (2010=46)



Per Capita LHD Expenditures - 2010

- Varies widely across U.S.
- Low = \$10 per person
- High = >\$100 per person
- Median:



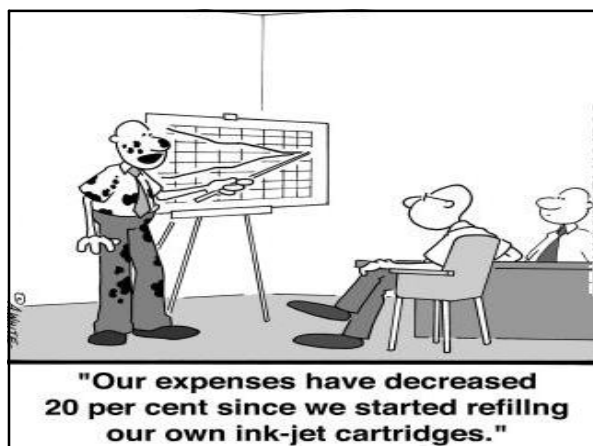
Less than \$20.00 in 6 states
 \$20.00 to \$44.99 in 15 states
 \$55.00 or more in 10 states

Wisconsin LHD Per Capita Expenditures



\$20.00 - \$34.99 per capita (all funds)
 (NACCHO, 2010)

\$14.30 per capita (tax levy funds)
 (WI LHD Survey, 2009 - DPH)



Revenues	2010	2009	2008
Home Care - Med/MA/Ins/PP	\$917,412.47	\$917,203.19	\$931,360.05
Medicaid Case Management	\$44,732.52	\$87,315.69	\$89,787.84
Immunization, Flu, & Hep B	\$39,329.23	\$49,445.15	\$61,149.00
State Grants	\$1,068,029.24	\$872,370.97	\$1,035,868.00
Reproductive Health Services Program Income	\$153,948.55	\$143,845.87	\$153,140.74
Agent License Fees, Well H2O, Serv Safe	\$149,207.00	\$108,577.39	\$116,514.00
Jail Health Contract	\$73,790.75	\$89,204.78	\$93,075.08
PHN Home Visits	\$1,035.00	\$1,250.00	\$1,850.00
PH Contracts - DSS, A&C, CSHCN, UW, Bio Indirect	\$23,010.38	\$95,567.56	\$177,484.21
Mini-grants & Donations	\$2,475.00	\$7,800.47	\$7,713.23
Immunization Donations	\$896.55	\$780.00	\$1,523.90
Sales, Rentals of Supplies/Kits, Car seats	\$2205.50	\$2,517.71	\$4,296.00
Carryover Funds Used	\$60,132.88		
	<u>\$1,068,561.78</u>	<u>\$1,129,944.80</u>	<u>\$1,096,128.88</u>
Total Revenues	\$3,604,766.85	\$3,505,823.58	\$3,769,890.93

Typical LHD Budget Cycles

- Early Spring – County Board sets budget policy and direction for departments
- Early Summer – Budget Preparation “to dos”
 - *Examine fiscal trends
 - *Identify Personnel needs/costs
 - *Forecast supply, equipment needs
 - *Forecast revenues
 - *Identify capital improvement need



Process Continued

- Present draft budget
- Governing Boards approve budget; pass on to Personnel/Finance committees or to county administrator or executive
- Revise budgets as recommended
- Counties required to have budget hearing – often in October; public input elicited
- Budget must be approved in November by full County Board



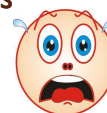
Challenges with County Budget Cycles

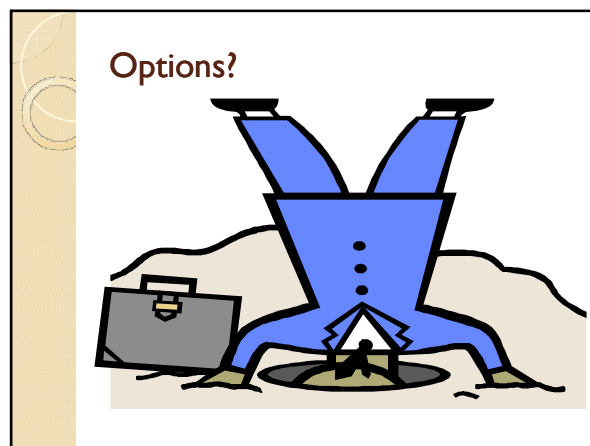
- Budgets due to boards and administrators before grant allocations are known
- In some instances, labor contracts for upcoming budget year not settled
- Many grants are on different fiscal years
- Not all board members understand PH
- Process often causes conflict between departments & between staff and management



Current Reality for LHDs

- Local tax levy restrictions
- State grant reductions
- Stagnant Medicaid reimbursement
- Shrinking Medicare & insurance reimbursement
- Public distrust/disdain of government
- Hiring freezes, vacancies, ↓ benefits
- Stiff competition for grants
- Aging (and weary!) workforce





Sound Strategies for LHDs

- Revisit Agency Strategic Planning Process
 - *What is our mission?
 - *What should we be doing?
 - *What should we stop doing?
 - *What processes can we streamline?
 - *Who can we partner with?
- Revisit CHA and CHIP
- Assure Continuous Quality Improvement

What Else Can We Do?



- Set goals, measure outcomes and do QI
 - *Immunization rate improvement
 - *Breastfeeding rates in WIC
 - *Improvements in tobacco use
 - *Obesity rate improvement
 - *Positive birth outcomes in PNCC
- Link PH efforts to cost savings for county
- Data speaks but money talks!
- Report to Board and constituents often

Additional Strategies

- Establish a relationship with your elected officials – local, state and federal
- Attend legislative events
- Join your professional organization
- Attend budget sessions to learn more
- Apply for grants targeting CHIP needs
- Network with colleagues; partner on grant applications
- Advocate for PH funding at all levels

"If Public Health Nurses are not at the table, they could be on the menu."

Linda Olson Keller
WI PH Nursing Conference, 2011

Resources

- NACCHO
<http://www.naccho.org/>
- Trust for America's Health
<http://healthyamericans.org/>
- Wisconsin Department of Health Services
<http://www.dhs.wisconsin.gov/localdata/LHDSurvey.htm>
- American Public Health Association
<http://www.apha.org/>
- Robert Wood Johnson Foundation
<http://www.rwjf.org/grants/>
- Wisconsin Public Health Association
<http://www.wpha.org/>

For more information:

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